

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

Reserve
A 280.29
F22H

EXPANDING HORIZONS FOR COOPERATIVE SERVICE

A Digest of the

28th Annual FCS Workshop

November 29 - December 2, 1965

U. S. DEPT. OF AGRICULTURE
NATIONAL AGRICULTURAL LIBRARY

APR 15 1966

CURRENT SERIAL RECORDS

Farmer Cooperative Service
U. S. Department of Agriculture
Washington, D. C. 20250

The Farmer Cooperative Service conducts research studies and service activities of assistance to farmers in connection with cooperatives engaged in marketing farm products, purchasing farm supplies and supplying business services. The work of the Service relates to problems of management, organization, policies, merchandising, product quality, costs, efficiency, financing, and membership.

The Service publishes the results of such studies, confers and advises with officials of farmer cooperatives, and works with educational agencies, cooperatives, and others on the dissemination of information relating to cooperative principles and practices.

These "highlights" comprise the salient contents of speeches presented during the 28th Farmer Cooperative Service Workshop. They are intended to reinforce the educational function of the workshop for the staff. Each participant receives a copy and a few are available for others interested in FCS activities. The views expressed by the speakers are their own and do not necessarily reflect current FCS policy. Nor should they, since the purpose of the workshop is largely accomplished through discussion among FCS staff stimulated by the speakers and carried on both during the meetings and afterward.

Contents

Expanding Horizons for Cooperative Service	<u>Page</u>
A Charge to Workshop Participants	
Joseph G. Knapp	1
Cooperative and Agricultural Policy	
John A. Schnittker.	1
The Philosophy of Research	
Harry C. Trelogan	2
How Cooperatives Can Shape Their Future	
J. Kenneth Stern.	4
R. T. O'Connell	4
Bruce J. Hendrickson.	5
Dwight D. Townsend.	6
Sharpening Cooperative Criteria	
The Cooperative Concept	
Kelsey B. Gardner	7
The Sociology of Cooperation	
Carl C. Taylor.	8
Recent Legal Interpretations	
D. Morrison Neely	9
Keeping a Cooperative Cooperative	
James Click	10
Cooperative Criteria Used by ASCS	
John I. Morton.	11
Cooperative Criteria Used by Banks for Cooperatives	
Glenn E. Heitz.	12
Cooperative Criteria Used by Federal Extension Service	
Paul O. Mohn.	12
Cooperatives in A Changing Economic and Social Environment	
Changes in Market Structure and Their Implications for Cooperatives	
John R. Moore	14
The Work of the National Commission on Food Marketing	
Marshall R. Godwin.	15
Dairy Market Structure Study	
Lloyd C. Biser.	17
Fruit and Vegetable Market Structure Studies	
Fred E. Hulse	17
Frozen Food Locker Market Structure Studies	
Bert D. Miner	18
Fertilizer Market Structure Study	
Theodore R. Eichers	18

Civil Rights and the USDA	
Elinor V. Dobbins	19
Opportunities for Cooperatives to Serve Low-Income Rural People	
Job K. Savage	20
Potentials of Cooperatives in Underdeveloped Areas	
The Opportunity of Cooperatives	
John A. Baker	21
Cooperatives in Appalachia	
John M. Bailey	22
Stimulating Resource Development	
Everett C. Weitzell	22
Development of Forest Based Organizations	
Edward G. Grest	23
Credit Extension and Advisory Assistance	
Harvey A. Gifford	24
Coordinating the Department's Efforts on Poverty	
Robert G. Lewis	25
Developing Cooperatives Abroad	
Herbert C. Fledderjohn	26
Foreign Participants	
Harry E. Ratcliffe.	26
The Participating Agency Service Agreements (PASA)	
Program of FCS	
Job K. Savage	27
A Foreign Assignment	
Homer J. Preston	28
Approaches to Economic Research	
Resource Development - A Framework for Action	
Alan R. Bird.	29
Linear Programming	
Saul I. Gass.	30
Exponential Smoothing (and) "Monte Carlo" Simulation of Probabilities	
William M. Holroyd.	30
Problems and Opportunities in Contract Research	
William H. Thompson	31
Project Coordination	
Charles N. Lane	32
Data Processing Services	
J. Frank Kendrick	33
Accelerating the Information Transfer Process	
John B. Forbes.	33
Editorial Review	
Sally I. Miller	34
A Final Word	
Joseph G. Knapp	35

EXPANDING HORIZONS FOR COOPERATIVE SERVICE

A Charge to Workshop Participants

■ Joseph G. Knapp, Administrator
Farmer Cooperative Service

This is the 28th annual workshop of the Farmer Cooperative Service. I well remember when we planned the first workshop in 1939. We were concerned with making it a staff meeting for professional improvement. We gave it the name "Workshop" -- which was new at that time -- to convey the idea that staff members would work during it. We have never lost track of this intent and every workshop has added to the efficiency of this agency.

Therefore, today my charge to you is this: Make the most of these few days to strengthen your capability to be of service to the farmers and cooperatives who look to us for leadership through competent research and educational services.



Cooperative and Agricultural Policy

■ John A. Schnittker
Under Secretary of Agriculture

During this century farmers have forged an important place for cooperatives in the rural economy. The Department of Agriculture, the universities, the foundations, and others have also helped to forge this important place -- recognizing the soundness of the cooperative approach and the great contributions to the country's welfare that cooperatives could make and now have made.

Among the Federal Government milestones are: The Report of the Country Life Commission, 1908, The Farmer Research and Education Program, 1913; The Rural Electrification Administration, 1935; the Farmer Cooperative Service, 1953; and Secretary of Agriculture Freeman's formal policy statement, 1963.

With the new Food and Agriculture Act 4-year program on record this is an excellent time to assess the needs still calling for attention. Even though total farm income is relatively high, low on-farm and off-farm rural incomes are a significant problem. Is there another role cooperatives can play in alleviating the increasing demands on existing market institutions? Can cooperatives further assist in the long-run changes needed in our society to help rural people with low incomes hook up with our economic system which has brought increasing wealth and comfort to the majority of Americans?

Is the Farmer Cooperative Service (FCS) tooled up to contribute to the growing body of market structure research and application of findings?

Is it possible a different emphasis for cooperative action can be developed to assist low-income rural people help themselves pool their limited resources and gain wealth, knowledge, and status in our society?

I challenge you to look for new methods to create change -- leading to more effective farm market power, new types of organizations geared to serving the needs of our low-income rural populace and expansion of foreign markets for American products through cooperative training and action both at home and abroad.



The Philosophy of Research

■ Harry C. Trelogan, Administrator
Statistical Reporting Service

The philosophies of research are manifold, but there is a fundamental theme deceptively simple: There is a unity in science; there is a unity in nature. It is man's challenge to unlock the code to reveal the secrets, to unveil the truth. Truth is subject to questions. If it is not, it is dogma, or something else apart from science.

The application of mathematics to science supports that general faith. Social science research exhibits such faith to a lesser degree than natural science. Social science involves man and deals more with probability -- there being great uncertainty, variability, and limited opportunity for controlled experimentation. Yet, there can be systems and order. Precise definitions can be formulated; and as social scientists apply them, measurements can be devised for statistical analyses.

Each scientist brings to his work a philosophy of his own, although what it is, and where he acquired it are not always clear, even to himself. Yet an effective researcher must be aware of his philosophy in order to allow for bias in making observations and reaching objective conclusions.

Above all, we must identify the problem and translate it into a frame of reference compatible with the research objectives. Social scientists are often confronted by problems which appear impossible to research unless or until a relevant theoretic framework is identified.

Administrators, in making policy, often ask researchers to decrease the uncertainty related to policy decisions. Researchers study questions cast in an "action reaction" context, hopefully to call the attention of policymakers to probabilities for success in achieving given ends. Also researchers should identify alternatives in policy together with quantified reactions to the alternatives.

The previous speaker posed the question of how the FCS could better function to ameliorate conditions of poverty among rural residents. This is a question researchers in other agencies are currently asking themselves about their work, because our whole USDA research program has been pitched to a different sort of problem. We need to distinguish between the type of problem from which the poverty program has evolved and the type of problem we have approached in the past. Are they different problems or alternative approaches with different emphases on a common overall problem?

The root of both our strength and frustration may lie, as John Brewster thought, in the dual nature of our cultural heritage -- Greek and Hebrew. He suggested that we researchers are torn between the preciseness, orderliness, and careful classification of the Greek, and the emotional, spiritual optimism for mankind of the Hebrew.

How Cooperatives Can Shape Their Future

■ J. Kenneth Stern, President

American Institute of Cooperation

Why must farmers be satisfied with inferior incomes for their increasingly productive labor, management, and capital while supplying food and fiber bargains to everyone else?

Farmers should push their cooperatives upward and outward into processing and national and international marketing organizations.

Now, as we begin to work together on a regional basis, our disorganization and cross-purpose become all the more evident in the national and international markets.

Cooperatives still do not give adequate attention to national brands, broader marketing orders, coordinating advertising, public relations, or to recognizing, training, and keeping the most competent personnel.

Over the years we have made a lot of progress of which I am proud, but improvement needs to go on.

My observations are just another way of saying you ought to have double or triple your budget in the Farmer Cooperative Service. You have been the leading light in the progress so far -- and I will say this anywhere. FCS has provided a lot of the research, leadership, and service that have brought us to where we are. And I do not think anyone else is going to take your place in providing it from now on. We just have a long way to go, and most people do not realize how unfinished this cooperative job is.



How Cooperatives Can Shape Their Future

■ R. T. O'Connell, Secretary

National Council of Farmer Cooperatives

Cooperatives will be affected by forces from inside and outside their organization. Non-agricultural firms are currently becoming more involved in agricultural production. If cooperatives are to continue to grow they must build an organization and develop market power which will keep the agricultural production decisions in the hands of the farmers. The Farmer Cooperative Service through its research and advisory program is contributing greatly toward that end.

To keep a strong internal organization, the three M's of management, money, and members must be stressed. Today cooperatives are recognizing the importance of management and are taking the necessary action to obtain the best available.

In the past, farmers' equity has been the principal method of obtaining capital, but with the growing capital needs of both the farmer and the cooperative a new look at other sources of capital is needed.

Farmers have valued economic freedom more than economic justice. Cooperatives have a problem in convincing their members to be less production oriented and more interested in economic equality.

A reappraisal of the role of Government should also be taken. Legislative changes are taking place and agricultural products may assume new roles in the world. The political power of agriculture is declining; and therefore, these decisions cannot be delayed. We in agriculture must alter some of our thinking with regard to agricultural policy, or someone else may be making the decisions in our behalf.



How Cooperatives Can Shape Their Future

■ Bruce J. Hendrickson, Assistant Executive Secretary
National Federation of Grain Cooperatives

Farm leaders and students of agriculture believe that we are on the threshold of a new challenge of even greater cooperative development. The ability to meet this challenge depends to considerable degree, on the extent to which young people are given the opportunity to participate in cooperative leadership.

Rural young people, on the average better educated and informed than previous generations, recognize the need for stronger cooperative development. These younger farmers are ready to accept a larger role as leaders and supporters of farmer cooperatives. More often they should be urged to assume duties and responsibilities in their cooperatives at all levels of organization.

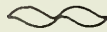
Recent USDA studies indicate that the family farm will continue to dominate U.S. agriculture. Current adjustments, however, are likely to continue. Present forecasts of 1.7 million farms where the operator's principal occupation is farming by 1970 compare with 2.3 million such farms in 1963.

Presently farmers invest slightly over 3 percent of their total assets in all types of cooperatives. Reliable estimates indicate the rate of return to farmers on this 3 percent tends to be about four times the rate for overall farm investment. Obviously farmers can benefit by increasing their investment in cooperatives.

There is widespread recognition that, in the past, building and strengthening market structure to serve the best interests of farmers has been neglected. With the research spotlight on production efficiency, marketing efficiency has been somewhat neglected.

The role of cooperatives in helping food and fiber producers achieve a fair share of market power is recognized by President Johnson and Secretary Freeman. Neither Government nor cooperatives can do the job alone. But farmers and their cooperatives working with the Department of Agriculture, with mutual respect, can and will improve the bargaining power and economic strength of producers.

The atmosphere has been created for a new surge of cooperative development. But the abilities of the younger farm generation must be utilized if the fullest benefits of cooperative organization and structure for agricultural producers is to be realized.



How Cooperatives Can Shape Their Future

■ Dwight D. Townsend
Director of the Washington Office
Cooperative League of the USA

Cooperative leadership must keep working together. They should continue to explore their areas of agreement and settle points of disagreement. The USDA Cooperative Advisory Committee plays an important role here. The accepted rules for cooperative service and growth should be emphasized. These rules are one member-one vote, voluntary participation, refunds according to patronage; neutrality in race, religion, and politics, and member education.

Cooperatives have been successful in many areas, but new avenues of service through cooperatives must be found. Extensions of needed services to remote areas and the problems of air pollution and water conservation may offer new opportunities. Cooperatives should be ready to enter areas in which other forms of business are unable or unwilling to serve.

Sharpening Cooperative Criteria

Chairman - M. A. Abrahamsen

The Cooperative Concept

■ Kelsey B. Gardner, Retired Director
Division of Management Services, FCS

Over the years, different concepts of cooperatives have been developed. These concepts were deeply influenced by environment, passage of time, objectives, and leaders. Varied concepts and confusion about them are not matters of past history. The job of establishing a definitive concept of cooperatives in the United States is not yet finished.

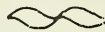
Recently I acted as economic consultant for a plywood workers' cooperative. The Internal Revenue Service had ruled that distribution of patronage dividends according to hours worked was not acceptable. They contended that patronage dividends must be made according to products sold through the association or products bought from the association.

The courts have now reversed this restrictive view of cooperatives and have upheld the concept that workers joined together for the cooperative manufacturing of a product is an acceptable cooperative.

I believe the commonly used terms of "patronage" and "patronage dividend" are too restrictive. The terms "participant" and "participant distribution" more accurately describe the relationship between a member and his cooperative. The total use a member makes of his cooperative is the important thing, and "participant" emphasizes this "use" concept.

A "cooperative concept" statement must be broad enough to include all types of cooperatives, and it should not be confined to listing the so-called basic principles. It should include the goals of cooperatives and should establish the voluntary and participating aspects of a true cooperative. The value of proper terminology should be recognized.

The Farmer Cooperative Service can contribute to the development of a better "cooperative concept." Several suggestions I believe FCS should consider are: (a) Definitive studies of the economic nature and social implications of cooperatives, (b) assistance in developing better terminology (specifically the use of "participant" and "participant distribution") (c) studies of membership motivation, (d) effective statements of cooperative potentials and accomplishments, and (e) continued emphasis on sound organization and efficiency.



The Sociology of Cooperation

■ Carl C. Taylor, Retired Chief
Division of Farm Population and Rural Life
Bureau of Agricultural Economics

Philosophers, scientists, and practicing businessmen ponder and work within a socio-economic system where competition and cooperation are in close relationship. These concepts of cooperation and of competition have in the past provided, and will in the future provide, bases for understanding the psychology of group behavior and improvement of society.

Our era is characterized by bigness of organization and markets. But beneath all the mountainous superstructure of large business management are essential small groups of people -- those who associate closely on the basis of their common interests. These small groups form our contact with bigness that is there but cannot be touched or worked with by individuals.

I am convinced that the successful practice of the sociology of cooperation requires large secular cooperatives to continually establish and maintain small local or specialized "we groups." Observations of both experimental and operational group endeavor bear out the need and function of social groups of individuals among whom that "we feeling" exists.

In our society, large and efficient cooperatives are, and must be, completely secular -- as hardheaded as any other business in the marketplace. They must have a well-organized superstructure. The superstructure is as easy to build for a great cooperative as for any other large business organization. But satisfactory membership participation and membership loyalty can be guaranteed only by means

of small primary groups, whose "we feelings" are cemented by mutual interests and opportunities for participation.

Let me urge that the understanding of the sociology of cooperation is as important to those who work with cooperatives as the economics of cooperation.



Recent Legal Interpretations

■ D. Morrison Neely, Attorney
Office of the General Counsel

The Department's regulations under the Civil Rights Act of 1964 became effective in January 1965. They have far reaching effects on relations between the Department of Agriculture and farmers and their organizations including farmer cooperatives. This legislation and the subsequent regulations have been widely publicized and full compliance by recipients of Federal financial assistance is expected.

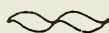
Another important legal development was a decision involving transportation activities of cooperatives. A Federal District Court was reversed by a Federal Circuit Court of Appeals. The appeals court holds that backhaul activities of cooperative truckers could deviate from agricultural commodities so long as the backhaul cargoes remained incidental to the major business of the cooperative. The case is headed for the U. S. Supreme Court.

Two income tax cases upheld the right of cooperatives to exclude retained patronage refunds from gross income. Both cases involved non-exempt workers' cooperatives manufacturing plywood and plywood products. These cases add to the increasing number of decisions reaffirming this legal right of cooperatives.

In October 1965, the Treasury Department issued final regulations concerning per-unit or capital retains. These regulations provide, in effect, that unless a member consents in writing to include in his gross income for tax purposes the full face amount of his capital retains, the cooperative will be taxable at corporate income tax rates on the amount of the retain. Consent by means of bylaw is permitted under the regulations, but if the courts hold it ineffective the tax could fall on the cooperative.

This new capital retain treatment is viewed as a complete reversal of rules under existing law and former regulations.

Lack of knowledge of cooperative principles by courts often results in conflicting legal decisions. This indicates a need for better understanding of cooperative methods from a legal standpoint.



Keeping a Cooperative Cooperative

■ James Click

Economist and Statistician

Maryland-Virginia Milk Producers Association

Our Maryland-Virginia Milk Producers Association has contended with the same sorts of problems other cooperatives have experienced in the process of growth, competition, and aging.

During the past several years we have undergone personnel and policy changes. What a cooperative does and how it operates is and should be the business of members. But often, the press distorts or magnifies the change before members can be appraised of its need and adequacy. When we contemplate a change, a disinterested person investigates and reports to management and the board of directors. Then members are called together and given a full accounting.

Regular and special meetings of members are necessary. We have found it wise to have members conduct their own meetings and elections and include sufficient time for members to ask all their questions.

We have a 21-member board of directors organized into several active committees. Our committeemen must delve deeply in the system to make intelligent policy decisions. We, as management, furnish the directors with monthly operating statements and other information they desire. Due to our increased emphasis on producer participation in the cooperative, our directors are now younger and more active.

Currently our producer-members are working on the problem of degree of financial responsibility of the directors. It is a question the membership must decide and record in the bylaws.

Cooperative Criteria Used by ASCS

■ John I. Morton, Director
Producer Associations Division
Agricultural Stabilization and Conservation Service

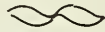
Criteria are set by ASCS for cooperatives that participate in price support programs. Cooperatives included fall into two principal groups. The first group includes cooperatives marketing cotton, soybeans, dairy products, rice, dry edible beans, honey, and tung oil. Participation in the price support program is not restricted to cooperatives for these commodities. The second group consists of cooperatives which, for all practical purposes, are the sole means of making price support available to producers of tobacco, peanuts, and gum naval stores.

In general, the following criteria are applied to cooperatives:

1. The cooperative must be producer-owned and controlled.
2. Articles of incorporation or bylaws must generally specify standard cooperative provisions.
3. The cooperative must be on a financially sound basis.
4. No conflict of interest detrimental to members of the cooperative is allowed on the part of officers, directors, or employees.
5. Any quantity of a commodity on which support is obtained must be marketed pursuant to a uniform marketing agreement between the cooperative and each member.
6. Not less than 80 percent of the commodity marketed by the cooperative must be produced by members.
7. The cooperative must have authority to obtain loans secured by the commodities, give liens thereon, and sell such commodities.
8. Detailed descriptions of pooling methods must be submitted in order to assure CCC that price support proceeds will be distributed only to eligible producer-members.
9. The cooperative must establish that it is organized and staffed to perform its contracts with and provide effective marketing operations for its members.

ASCS cooperative criteria undergo continuous clarification, consolidation and revision, as necessary. The mere establishment of criteria is not of itself assurance to ASCS that a firm is a true cooperative. For such assurance, ASCS looks to actual per-

formance, fully documented and verified by investigations of USDA auditors and cooperative associations' examiners.



Cooperative Criteria Used by Banks for Cooperatives

■ Glenn E. Heitz
Deputy Governor and Director
Cooperative Bank Service
Farm Credit Administration

The Farm Credit Act of 1933 established the Banks for Cooperatives to make loans to cooperatives meeting the criteria set up in the Agricultural Marketing Act of 1929.

To meet these criteria a cooperative must (1) be an association of farmers controlling and operating the cooperative for their mutual benefit, (2) limit members to one vote or limit dividends to not more than 8 percent, (3) do at least as much business with members as with nonmembers, and (4) have substantially all of voting rights in hands of producers.

In addition it must be determined that the cooperative is either (1) processing or marketing farm products, (2) purchasing, processing, distributing, or furnishing farm supplies, or (3) furnishing farm business services.

Most legal authorities in the Cooperative Bank System agree that the Agricultural Marketing Act is clearly a remedial statute. As such, we believe a liberal interpretation placing emphasis on objectives of the act is the proper course of action.



Cooperative Criteria Used by the Federal Extension Service

■ Paul O. Mohn
Chief, Marketing Firm Management Branch
Federal Extension Service

Cooperative criteria, when interpreted as restraints or restrictions, are not strictly applicable to the Cooperative Extension Service program.

A survey of 1962-63 extension activity revealed that over 118,000 extension man-hours were spent on educational work with cooperatives. Most of these cooperative organizations were farmer-owned, but they also included consumer cooperatives, worker cooperatives, and other groups not farmer-oriented.

Our primary concern with cooperative criteria is to distinguish between bona fide cooperatives and psuedo cooperatives whose policies may be detrimental to the cooperative image.

To this end we in Extension work rely on these guiding principles or criteria: (1) Democratic control, (2) limited returns on capital invested, and (3) net margins distributed according to patronage.

We believe it our responsibility to be concerned about organizations of vested interests which may portray cooperatives in a bad light. Such groups can reflect unfavorably on the public image that so many cooperatives have struggled so hard to maintain. This we must avoid.

Cooperatives in a Changing Economic and Social Environment

Chairman - J. K. Samuels

Changes in Market Structure and Their Implications for Cooperatives

■ John R. Moore, Associate Professor
Department of Agricultural Economics
University of Maryland

The theoretic model of market structure analysis is sequential and deterministic in the sense that market "structure" determines market "conduct," which in turn determines market "performance."

Cooperatives are formed for two basic reasons. Farmers want a service not being provided, or they desire to correct competitive imbalance, or both. In other words, the need for cooperatives is directly related to the degree of imperfection in the market.

Market structure is constantly changing and difficult to measure. However, I would like to discuss a few of the implications structural changes suggest for cooperatives.

Number of firms: The trend toward fewer and larger firms in the food and kindred products industries continues. Farms still form an atomized industry by comparison.

Product differentiation: Major, or "name" brands are becoming more dominant. Cooperatives should be aware of the strong barriers to entry being erected by increasingly larger firms selling highly differentiated products with strong customer loyalty.

Decreasing barriers to entry: Increasing uniformity of sanitation requirements, greater efficiency of transportation, packaging, and storage broaden opportunities for cooperatives.

Market information: In many cases, where better reporting, increased communication facilities and meaningful grading standards are applied, the value of market information has increased. However, where trading centers are by-passed, prices reported may represent "thin" markets and not reflect actual wholesale conditions. Sales through cooperatives and communications among cooperatives can compensate for the lack of market information.

Vertical integration: Present trends of integration by non-farm firms in livestock, poultry, cotton, and fertilizer industries should be recognized and competitively met by cooperatives. This may call for deeper penetration in non-farm enterprises such as oil, retailing, manufacturing, and mining.

A few cooperative actions suggested by structure changes are:

1. Establish nationwide consumer brands and form connections with one or more large grocery chains.
2. Strive toward fewer but larger cooperatives -- regional and national in scope.
3. Continue to analyze and innovate technology and organization of poultry and livestock production to regain and increase resultant income for farmers.
4. Study decreasing barriers to entry to identify cooperative opportunity for integration.
5. Continue to emphasize that cooperatives minimize farmers' buying and selling risk stemming from uncertainty of price and quality.



The Work of the National Commission on Food Marketing

■ Marshall R. Godwin, Project Leader
Fruit and Vegetable Marketing
National Commission on Food Marketing

The National Commission on Food Marketing was established by Congress on July 3, 1964, and began operations in early 1965. Charged with the responsibility for examining our food marketing system, the commission must make its final report by July 1, 1966.

The commission is concerned with the total food distribution system. It is seeking to determine the capability or adequacy of the system to meet all the needs of the public -- farmers, marketing agencies, and consumers.

The Food Marketing Commission is composed of 15 members: 5 from the House of Representatives, 5 from the Senate, and 5 public members appointed by the President.

The commission staff is organized into five divisions as follows: Bakery and cereal products; fruits and vegetables; poultry and eggs, livestock and meat products; dairy products; and retailing. Retailing is considered a separate division as it represents the point where all commodities are more or less fused together from the standpoint of handling.

Beginning with the present status of the food marketing system, the commission wants to know where present trends are leading us. What kind of system do we need? What changes should be made? We seek efficiency but wish to preserve competition where it is compatible with efficiency. We will attempt to identify needed changes in public policy related to food. In connection with this, the commission recognizes the need to study possibilities for decreased as well as increased role of Government in food marketing.

We are looking at the role of cooperatives in food marketing. We are examining the trend and effectiveness of cooperative bargaining. We want to know the extent to which cooperatives have the potential for providing or do now provide, an effective competitive check on other firms in the field.

Final determination as to conclusions and recommendations will be made by the commission. The role of the various staff divisions is to provide data, technical information, and advice to the commission.

The members of the commission recognize the sweeping nature of their undertaking. Where changes in the food marketing system appear desirable, the commission will make recommendations for these changes. Where the system is functioning well, the commission will say so. Basically the National Commission on Food Marketing is attempting to point the way for a marketing system that will serve the interests of everybody with a reasonable degree of efficiency and with equity for all concerned, beginning with the farmer and ending with the consumer.

Dairy Market Structure Study

■ Lloyd C. Biser
Dairy Branch, FCS

Who will make the major decisions in marketing milk in the years ahead? Now cooperatives control the sale of most raw milk to distributors and have some influence in processing and distributing dairy products.

However, the structure of dairy cooperatives is changing. The number of dairy cooperatives is dropping, but the value of dairy products cooperatively marketed is increasing. New packaging and handling methods are also changing milk marketing.

FCS is currently conducting a detailed study of dairy cooperatives to determine (1) the changes in marketing activities of dairy cooperatives, (2) the location and use being made of cooperative dairy plants, and (3) the methods used in coordinating cooperative marketing.

I believe it is our job to help cooperatives determine the feasibility of increased activity in processing and distribution and to urge consolidation toward 600 instead of the present 1,200 dairy cooperatives. The continued consolidation of dairy cooperatives should have an impact on the conduct and performance of the market.



Fruit and Vegetable Market Structure Studies

■ Fred Hulse
Fruit and Vegetable Branch, FCS

The Fruit and Vegetable Branch of the FCS has conducted a number of studies over the years which today would fall in the "market structure" research category. These studies analyzed cooperative potato, citrus, and apple marketing and the role of cooperatives in handling these commodities.

A study of the market structure for potatoes and the influence of cooperatives on market conduct and performance is now underway. Also, we are studying the scope and potential of fruit and vegetable cooperatives with special attention to efficient marketing and improvement of farmers' income.

A third project is examining market conduct and market performance in the Florida fresh citrus industry. Particular emphasis is to be placed on the influence of non-price specifications, and how growers, their cooperatives, and others can efficiently meet the changing needs of buyers. Results of this research will compliment and reinforce market structure information developed in other studies.

The research of the Fruit and Vegetable Branch emphasizes analysis of market efficiency in an effort to establish standards, and actively improve market performance.



Frozen Food Locker Market Structure Studies

■ Bert D. Miner

Frozen Food Locker Branch, FCS

The Frozen Food Locker Branch of FCS has four market structure oriented studies under way at the present time -- (1) a national survey of locker and freezer provisioners, (2) a merchandising study, (3) a study of frozen food locker cooperatives, and (4) a study on the role of frozen food locker cooperatives in processing locally produced products. These studies will help determine the number, location, and scope of frozen food locker and freezer provisioning plants in the United States.

Past FCS studies show the peak number of plants was reached in 1951 and since then the number has been decreasing. Volume of business, however, has been increasing. Frozen food locker plants are located throughout the United States but are mostly concentrated in the Midwest.

Future studies will examine market structure changes and the effects on frozen food locker cooperatives.



Fertilizer Market Structure Study

■ Theodore R. Eichers

Farm Supplies Branch, FCS

The fertilizer industry provides an ideal field for study. Not only has market organization changed completely in recent years, but companies not even in business 5 years ago are now dominant firms in

the industry. A primary aim of a current FCS study is to evaluate these structural changes and their implications for cooperatives.

In a decade, the industry has changed from specialization of single element producers to horizontal integration. At the same time vertical integration has obliterated traditional distribution patterns. Today one company may be a basic producer of all three primary fertilizer materials and handle them all the way to application on the land.

Cooperatives are already taking part in this change to some extent. If they can capitalize on strong points -- relationship with farmers, and existing distribution system -- and overcome present weaknesses -- primarily a reluctance to invest adequate funds and talents in reshaping cooperative operations -- they should be among the most dynamic and forceful segments in the fertilizer industry.



Civil Rights and the USDA

■ Elinor V. Dobbins
Administrative Assistant
Office of the Secretary

Why "civil rights" in Agriculture? The USDA has civil rights problems which have been exposed to the public eye; current legislation places civil rights responsibility on 10 USDA Agencies. In addition it is morally just to attend to civil issues where and when they exist.

The FCS must make every effort to insure that no person in the U.S. is excluded on the basis of race, color, or national origin from benefits of its research and advisory services. To help attain that goal, the FCS has been obtaining "assurances" of Civil Rights Law compliance from organizations receiving service. These assurances are being checked by FCS personnel when performing research and advisory work in the field.

All USDA agencies are in the process of evaluating the extent of their services to minority groups. We will reorient USDA programs found to neglect a significant segment of the population.

We have found that a lack of complaints does not always mean there are no violations. Many people with valid cause for complaint exist outside regular channels of communication and are unaware of benefits they have been missing or that conditions could be changed.

Each agency uses an assurance form which best suits its needs. Some private organizations dealing with more than one agency have complained because they had to sign several assurances. We are developing a standard assurance which if acceptable to all agencies would minimize the duplication.



Opportunities for Cooperatives to Serve Low-Income Rural People

Job K. Savage, Director
Management Services Division, FCS

My interviews with regional cooperatives and other sources indicate that all services normally offered by cooperatives are available to low-income and minority group farms.

However, we in FCS do not know and we believe that the cooperatives do not know to what extent low-income and minority groups use cooperative services. We do not know which services they use the most or what portion of their business is done with cooperatives. Lack of knowledge of services available, lack of credit, and perhaps a lack of friendliness may keep some possible members away from cooperatives.

Cooperatives are business enterprises and they must serve their members in the best possible way. They should be models of business respectability and actively look for ways to serve not only their members but their communities. For example, some cooperatives are working with RAD committees, others have offered services such as custom farm equipment service which are aimed at the small farmer, and some help new associations through managerial assistance.

Farmer Cooperative Service has an important role in helping cooperatives serve low-income rural people. FCS participates in educational meetings to explain cooperative and credit union advantages and disadvantages. Response to these meetings has been very favorable.

We are supporting other Federal and State agencies that promote cooperatives. FCS publications are widely used, and we provide advisory assistance.

Currently, two research projects are underway which are designed to evaluate cooperative service to low-income farmers. FCS supports the idea that Negro land-grant colleges should be encouraged to develop effective educational and research programs with cooperatives.

Potentials of Cooperatives in Underdeveloped Areas

Chairman - S. F. Krause

The Opportunity of Cooperatives

■ John A. Baker

Assistant Secretary of Agriculture

The topics of this FCS Workshop are extremely well chosen. It is well to remember early cooperatives were originated by disadvantaged people to help solve their economic problems. Their cooperative economic solution helped solve many social and political problems simultaneously.

With regard to underdeveloped areas, considered either geographically or socially, you will need to consider the opportunities and responsibilities of existing cooperatives in serving the newly recognized national need to alleviate the problem of poverty.

The Farmer Cooperative Service needs to review the extent new cooperatives are required, desirable, and feasible, keeping in mind the difficulty of existing organizations assuming social responsibilities unrecognized or unneeded as a part of their original operations. Have we, as cooperative leaders, given adequate attention to how cooperatives can participate in carrying to rural people the intentions of the great recent flow of enabling legislation?

The Farmer Cooperative Service should watch closely the progress of the FHA economic opportunity loans establishing new cooperatives among low-income people, being alert for ways FCS can help attain the highest fulfillment of the stated goal -- helping underprivileged rural people help themselves. You must continue to reevaluate research and advisory programs to determine the best use of your scarce resources.

Cooperative theory, education, and practice are still underdeveloped to my way of thinking. Cooperatives will have to increasingly justify their existence and increasingly stress education for the development of new cooperative leaders from all walks of life. For, in my opinion, there are not nearly as many cooperatives, in enough fields of endeavor, in as many geographic areas as there ought to be to serve the best interests of the United States. It falls very specifically to the Farmer Cooperative Service to assemble, make available, and disseminate the factual data necessary to bring about this needed cooperative growth.



Cooperatives in Appalachia

■ John M. Bailey
Farm Supplies Branch, FCS

We have all heard that cooperatives just cannot afford to serve low-income people -- they spend such small amounts; they are a drag on credit; they cause too much bookkeeping. Is this a true picture? FCS decided to find out, and, in addition, to examine the nature and extent of services to low-income people by cooperatives.

Two cooperatives in West Virginia were selected for the study. These cooperatives both served substantially whole county areas and were similar in age, operation, and types of services offered. One cooperative served 52 percent of all farmers in its county and the other served 87 percent of its county's farmers. Data regarding patron characteristics and purchases have been obtained from both firms.

Preliminary findings indicate that the two cooperatives studied were serving low-income farmers with surprisingly little difference in the variety of services used by them and those used by larger farmers. These low-income farmers, including part-time farmers and some non-farm patrons, actually represented 54 percent and 61 percent, respectively, of the total business of the two cooperatives. These low-income farmers did not appear to be a drag on cooperative operations.



Stimulating Resource Development

■ Everett C. Weitzell, Director
Division of Resource Development and Public Affairs
Federal Extension Service

Rural electrification has probably done more to develop rural resources than any other factor. The rural electric cooperatives

are a good example of what can be done. Cooperatives can be a major force in rural development, but stimulating leadership is needed to bring about this development.

Leadership is necessary to identify situations where cooperatives are needed. A cooperative's existence depends on its filling a need. Leadership is also necessary in educating individuals to the opportunities for cooperative action to get the desired job done. Assistance in organizing and supporting cooperatives will speed rural development.

Existing cooperatives have provided leadership in rural development. For example, a telephone cooperative assisted in organizing a local rural areas development (RAD) committee, and a marketing cooperative formed a new marketing cooperative to serve a low-income rural group.

RAD committees with the help of Extension agents and various governmental programs have started marketing, processing, and recreation cooperatives. Many of these cooperatives are serving low-income farmers and other rural people.



Development of Forest Based Organizations

■ Edward G. Grest, Director
Division of Cooperative Forest Management
Forest Service

The USDA is helping woodland owners and others organize and operate forestry cooperatives. At the Washington level, the USDA Committee on Forestry Cooperatives was formed in July 1964 to bring together information, training aids, and people interested in forming cooperatives

At the State level, Rural Areas Development Technical Action Panels are organizing Forestry Cooperative Advisory Groups to work directly with the people interested in forming or becoming members of forest based cooperatives. So, the committee is coordinating forestry cooperative work of USDA agencies and channeling technical and financial information to State and local agencies and representatives.

The reason behind this activity is to bring about more efficient use of our human and woodland resources.

The USDA Committee has held two workshops dealing with forestry cooperatives, issued one publication, and is currently preparing two

others. Also, Forest Service and Farmer Cooperative Service are producing a 27-minute film which illustrates the steps to follow and factors to consider in organizing sound forestry cooperatives.

A current feasibility project involving 16 contiguous counties in three states and being carried on by West Virginia State University under a contract supervised by FCS will provide information helpful to other feasibility researchers. We want to be certain of the need in any specific case, whether it involves a forest management, marketing, processing, or purchasing type cooperative. Some existing farmer cooperatives are considering adding forestry activities to their present operations.

It seems clear that in some situations, cooperatives can fill a need and make worthwhile contributions to forest owners, local industry, and the rural economy.



Credit Extension and Advisory Assistance

■ Harvey A. Gifford

Farmers Home Administration

The Secretary of Agriculture has designated Farmers Home Administration as the agency to administer the Economic Opportunity Act's program of loans to rural cooperatives. Since January of this year 253 loans to cooperatives have been made under this program.

To qualify for these loans, the borrowing cooperative must offer a service not otherwise conveniently available at reasonable cost and must prove that it is unable to obtain credit from other sources at reasonable terms. There must also be assurance that the loan can be repaid from earnings and that the loan added to available funds is sufficient to meet the cooperative's needs.

The interest rate on these loans is 4-1/8 percent and the repayment period may be up to 30 years. This program is designed to assist in raising and maintaining income and living standards of low-income families. Therefore, the borrowing cooperative must serve rural families, two thirds of whom are genuinely low-income people.

Most of these loans have been made to small groups of farmers to

purchase farm equipment such as cotton pickers, corn pickers, and combines. These items of equipment are usually too expensive for small operators to own individually.

This program is less than a year old; therefore, we are unable to say much about the repayment of these loans. However, frequent spot checks indicate these will be successful loans. The members of these cooperatives are now able to perform their farming operations more efficiently and are gaining a new lease on life.



Coordinating the Department's Efforts on Poverty

■ Robert G. Lewis, Administrator
Rural Community Development Service

Our concern is broader than poverty alone. The Rural Community Development Service is working for the development of the entire rural community, in which three out of four of the residents today are not farmers.

We are concerned with all of the "opportunity gaps" in rural America. The incidence of poverty is twice as high in rural areas as in the cities and suburbs. The average rural adult level of education is 1-1/2 years below the national average. The equivalent in unemployment of rural unemployment and underemployment is more than three times the national unemployment rate. Rural children receive one-third as much medical and dental service as do urban children. The proportion of substandard housing is three times as high in rural areas as in urban centers.

Many of the Federal programs intended to help all citizens do not reach effectively into rural America. President Johnson has directed all departments and agencies of the Federal Government to take special steps to insure that their programs and services reach rural people. The Department of Agriculture has been made responsible for helping those Departments not having field offices and representatives of their own in rural communities to reach rural residents. The Rural Community Development Service has the responsibility for planning and coordinating this new "outreach" service. Our staff in Washington and in State RCDS offices -- of which 23 will be operating this year -- will help USDA field representatives and rural residents to secure equitable service from all Federal programs.

Developing Cooperatives Abroad

■ Herbert C. Fledderjohn

President and Administrative Director

International Cooperative Development Association

Cooperatives can contribute to the process of economic development by helping people work together, by increasing production of goods and services, and by bringing about a wider sharing of the benefits of increased production. They contribute to higher levels of living for both members and non-members.

The cooperative concept, as an institution, has a good image among the less developed nations, but the job of establishing cooperatives is not easy. The presence of entrenched economic oligopolies, the absence of mutual trust among people, the shortage of capital, the lack of saving-investment habit, and scarcity of managerial talent all restrain cooperative development.

However, I have seen foreign cooperatives overcome many such handicaps. Although the barriers seem unsurmountable, our U.S. cooperatives could often supply key ingredients such as technically and administratively trained personnel who could actively manage foreign cooperatives while training indigenous people to take over.

The potential for good, through cooperatives, is so great we must make an all-out effort to start people using this self-help device to build democratic institutions, increase production, prevent exploitation, and help people develop individually as responsible members of a group effort.



Foreign Participants

■ Harry E. Ratcliffe, Foreign Training Advisor

Membership Relations Branch, FCS

The Farmer Cooperative Service assists the International Agricultural Development Service and the Agency for International Development to provide training in cooperatives to interested foreign visitors. Briefings on the development and operation of U.S. cooperatives are arranged for foreign participants. Last year, FCS assisted 400 foreign participants; and during the first quarter of this year, over 200 availed themselves of these services.

In addition to FCS, the International Cooperative Training Center at

Madison, Wisconsin, is an important part of the foreign participants' training. Intensive courses in cooperatives of from 1 to 20 weeks are offered at this center.

The difference between cooperatives in the United States and in less-developed countries are often great. More cooperatives in low-income areas of the United States would be a valuable example for many foreign visitors. There is concern over whether it is better to bring foreign participants to this country or send U.S. advisors to the under-developed countries. The best answer may be a combination of both foreign participants and U.S. advisors.



The Participating Agency Service Agreements (PASA) Program of the FCS

■ Job K. Savage, Director
Management Services Division, FCS

These service agreements are administered through the International Agricultural Development Service of the USDA between the Agency for International Development and one or more participating agencies in the USDA. FCS participates by taking responsibility for development of agricultural cooperatives.

For example, in the Brazilian PASA, we provide four experienced specialists in the field of cooperation to assist the Brazilian Ministry of Agriculture, State governments, and cooperatives form and carry on a program to strengthen agricultural cooperatives. We select the specialists, suggest their location of work, and backstop them with administrative and technical support -- including supplying short-term technicians and assisting in program planning and evaluation.

Henry Bradford, Henry Gerber, and Luke Thomas will be joined by one more cooperative specialist to complete our team in Brazil.

Basset Orr is serving on a Paraguayan PASA, actively educating the public and administrators. He is helping to develop and encourage the passage of a new cooperative law and the establishment of a Department of Agricultural Cooperatives in the Ministry of Agriculture.

Our experience with PASA agreements points toward increasing this international service in the future.

A Foreign Assignment

■ Homer J. Preston, Director
Purchasing Division, FCS

On this foreign assignment I assisted a U. S. team in studying an irrigation project in Morocco. The purpose of our team was to evaluate the plans and methods of the Moroccan Government in settling the traditional type farmer on highly intensified irrigated land.

Morocco has more natural resources and a better balance of food and population than most developing countries. However, its population has a low literacy rate, and social and religious customs sometimes make changes difficult.

In the new irrigated areas the Moroccan Government plans to settle individuals on small plots of about 12 acres. These farmers will be grouped into cooperatives of six members each. At the start of the resettlement project the individual farmer must follow the government's suggested crop pattern and practices, and he must join the cooperative.

Government employees will assist with problems and will see that the prescribed practices are being followed. Normally 50 cooperatives will be serviced by an Agricultural Development Center. This Center will offer technical assistance, credit, marketing, and use of equipment to the cooperatives.

The cooperatives formed in this resettlement project are certainly not the usual type. However, the individual farmer will gain more freedom as his skills and capital grow, and the local cooperatives have the opportunity to gain control of the Development Centers.

In view of the conditions that existed in Morocco, it was the opinion of our team that the plans and methods used in this resettlement project were highly acceptable and every effort should be made to keep the cooperative development following the present plans.

Approaches to Economic Research

Chairman - H. J. Preston

Resource Development -- A Framework for Action

■ Alan R. Bird
Regional Programs Group
Economic Development Division, ERS

Today we recognize that people are our most important resource. Natural resources are seen as an instrument of man's attainment rather than an end. Resource development has, then, come to mean "enabling human fulfillment."

The beginning of resource development in this context dates back to the Magna Carta -- the first formal incentive system that enabled private enterprise to flourish. Yet poverty is still with us. In the United States today, one in five families live in poverty. Almost half the Nation's poor live in rural areas, yet only one-third of our total population is rural.

Is, then, poverty, particularly rural poverty, inevitable? The current "war on poverty" certainly does not subscribe to this belief. Taking the viewpoint that people in poverty are victims of circumstance, we direct our efforts toward creating an atmosphere conducive to resource development. Programs are being instituted which provide means of alleviating many instances of rural disadvantage.

The tacit assumption is, of course, that people are not satisfied to live in poverty and, given the tools, will work to improve their own economic status. This increased emphasis on the development potential of people provides great opportunities for increased cooperative service.

I see as perhaps the greatest area of potential, the development of greater access to needed health and general education services for rural people. I believe we would do well to explore the possibility of wider use of cooperatives in financing rural health services. Relative to educational services, we know that well-fed children learn best. Yet, some 9.3 million children in 39,000 schools -- many of these small rural schools -- do not have access to a school lunch program. I challenge you to explore the role of cooperatives in closing this nutrition-education gap.

Cooperatives and others can be expected to recognize expanding horizons for service in the increased public emphasis on development of the potentials of people. The success of their attempts is likely to depend heavily on prior development of an atmosphere conducive to economic and social betterment. Upgrading of rural health and education services will help create such an atmosphere.



Linear Programming

■ Saul I. Gass, Manager
System Analysis, Washington Systems Center
Federal Systems Division, IBM

Linear programming is a mathematical technique useful in various practical decision problems. Programming problems are concerned with allocating limited resources to their most efficient use. However, certain conditions must be present before linear programming can be used.

Some measure which can be effectively maximized or minimized must be present such as pounds of output or number of hours worked. The resource relationships and restrictions of the problem must be expressed in linear equations. However, some methods to approximate nonlinear equations are available.

Electronic computers enable linear programming methods to evaluate problems with many possible answers. Farm enterprise combinations and feed formulation problems are examples of agricultural applications.

When the researcher is acquainted with the possibilities and limitations of linear programming, he is able to evaluate the usefulness of this tool in his research and in applications.



Exponential Smoothing (and) "Monte Carlo" Simulation of Probabilities

■ William M. Holroyd
Transportation Branch, FCS

Exponential Smoothing. Management wants and needs predictions of the future for use in planning. If errors in forecasting can be minimized, more accurate decisions can be made. Exponential smoothing is a short-term forecasting method which one regional cooperative estimates has saved \$200,000 a year in one warehouse operation.

An exponentially smoothed forecast is simple to compute. To get a new forecast, you simply subtract the forecasted demand from the actual demand and add some fraction of the difference to the forecasted demand. The key element is determining what proportion of the error term to use in adjusting for the new estimate. Exponential smoothing gives the most recent information the most weight and gives progressively less weight to older information.

"Monte Carlo" Simulation of Probabilities. Management decisions are based to some extent on some types of rationalization concerning the uncertain future. Experience indicates that some events occur in a definite pattern, and others seem to occur randomly. "Monte Carlo" simulation is a method to combine pattern-occurring events with random-occurring events into probability estimates. Random-number tables may be used to simulate the occurrence of random events and past performance gives an estimate of the occurrence of patterned events.

Computers can perform very long runs of "Monte Carlo" simulation, and "Monte Carlo" simulation can provide reliable estimates of complex probability distributions.



Problems and Opportunities in Contract Research

■ William H. Thompson
Professor of Transportation
Iowa State University

I have experienced no problems of significance concerning contract research at Iowa State. Having just completed our third contract with FCS, we think we have a most harmonious arrangement.

Problems of contract research commonly arise from these factors: (1) Changing personnel, (2) lack of supervision, and (3) failure to meet deadlines. We take precautions to avoid these pitfalls.

We do not enter into contracts for mental exercise or as a method of subsidizing graduate students. We see "responsibility" as a key word in contract research -- responsibility to the agency extending the contract (furnishing the funds), responsibility to the firms providing data; and responsibility to represent the university and the contracting agency in the best possible light.

The opportunities for contract research are unlimited. The transportation rate problem of the Midwest is a prime example of this

opportunity. Traditional rate structures are meaningless today. Changes and proposed rate changes have affected virtually all midwestern processors. The fear is that the Midwest will become a specialized producing area without a processing industry as raw materials move southward and eastward as the result of changing rate structures. Needless to say, the midwestern region is vitally interested in this subject. Research aimed at providing answers to problems such as these will be for the good of agriculture and for the good of the Nation.



Project Coordination

■ Charles N. Lane, Head, Central Project Office
Research Program Development and Evaluation Staff, ARS

The Central Project Office has two primary and interdependent functions. First we serve as a center for review and approval of research projects prior to their initiation. Secondly, we are the central source of information on the nature and status of the current USDA research program.

For an agency's research project to be approved, a project description is submitted, checked for adequacy, and circulated among other agencies performing or interested in similar research. After the written suggestions have been satisfied, the designated officials approve the research proposal. If a project runs more than 5 years, it must be resubmitted as a new project.

We have about 3,500 projects on file currently.

For purposes of continuing review of research underway, the agencies' annual progress statements report on projects where progress or change has taken place. This annual report is our opportunity to see if researchers are doing what they said they would do.

The present system of project review and of information storage and retrieval are now under intensive study. We aim to develop uniform procedures to be used by both the USDA and the Federal grant projects of the State Experiment stations. There should be a single project office rather than two currently existing, and a standardized concept of a "work unit" and "line project" should be developed. We are working toward a system of annual reporting of progress and plans and of financial and manpower commitment on a project-by-project basis. Electronic data storage and retrieval will be utilized to help carry out these changes to improve our efficiency and effectiveness.

Data Processing Services

■ J. Frank Kendrick, Chief
Washington Data Processing Center

In 1962 the decision was made to combine all automatic data processing activities of the Department of Agriculture agencies located in or near Washington, D. C. The Washington Data Processing Center is the result of that decision. At present we are using computers in seven different locations, but in January we will move to a central location and will have the most modern equipment currently available.

We have a competent programming staff, but these data processing personnel are not and cannot be experts in all areas. A researcher must realize that no one knows as much about his project as he does. He must, therefore, be very exact and detailed in presenting his problem to the data processing center.

I would like to urge all agencies to allow one of their personnel to train with our data processing center for 1 year. Then this individual can return to his agency and act as coordinator between the data processing center and his agency.



Accelerating the Information Transfer Process

■ John B. Forbes, Chief
Division of Indexing and Documentation
National Agricultural Library

"Information Transfer" is a recently popularized term meaning the process of getting information circulated among the producers and consumers of knowledge. It implies a two way street -- from researcher to consumer and vice versa.

The purpose of a library is information transfer carried out through the processes of document storage and retrieval. The development of subject indexes and specialized bibliographies are examples of bridges between the concepts of "document" and "information" storage and retrieval. We plan to bring all cooperative material together under the "Cooperatives" label in the monthly subject index in the Bibliography of Agriculture beginning in April 1966.

We also compile special lists dealing with specific facets of the field of cooperation -- nine having been completed during 1964 and 1965.

As we continue to carry out and refine the mechanization of the National Agricultural Library, all activities will be speeded up considerably. However, the human element is basic to our planned improvement in "information transfer". The library will utilize more subject matter specialists to make full use of new information systems and computer technology. We will be increasingly able to provide you with timely, relevant, specific, and convenient information packages as we narrow the gap between the information explosion and the information transfer process.



Editorial Review

■ Sally I. Miller, Head
Publications Editing Section
Research Publications Branch, OMS

What I have to say deals mostly with research reports. Once a report is published by USDA, it goes into the literature and may be cited by future workers for a long time. The report may be the most tangible record of the work done so it is important that it be as good as possible. An author writes a report and submits it for publication, then thinks he is ready for the next assignment, only to find that the editor has raised questions that require revising, rewriting, and re-clearing.

What is good editing? To have our reports in language than conveys the intended meaning in a clear, precise manner. An editor's job unfortunately is to find fault. The good editor reads the manuscript for meaning. She can correct some deficiencies herself, but the author must supply further information when needed. She finds the sentences that do not make sense and has a keen eye for misspellings. Some pieces that are sketchily edited are highly praised and others severely edited go unnoticed, but we still believe that the editorial process is a necessity if standards are to be preserved.

There has been a relaxing of rules of grammar lately. Our "authorities" no longer lay down the law -- they merely note what is usually done. To make things clear with a minimum of words is our aim. The fog index should not preclude use of technical terms if they are needed. Knapp's law, "Time taken in the Administrator's office will vary inversely with the quality of the report," applies even more to time taken in the editorial office.

A Final Word:

■ Joseph G. Knapp, Administrator
Farmer Cooperative Service

We have had a fine workshop and our program committee under the Chairmanship of Martin Blum can be proud of its stimulative efforts.

As we close this session let us remember that we are a professional organization, in that we work with high professional standards in our work with rural cooperatives. We are not primarily cooperative enthusiasts -- although we know from long experience that cooperatives are essential to the well-being of agriculture. Rather, I like to think of our staff as a group of students of cooperative enterprise -- students because we are always trying to learn more in order to be more effective in our work.

As we plan we must keep our minds open -- as Secretary Baker has recommended -- to all the possibilities of cooperative service. In this way we will maintain the respect of all as public servants.

Program Committee

Martin A. Blum, Chairman	Chief, Fruit & Vegetable Branch
J. Kenneth Samuels, Ex Officio	Director, Marketing Division
William M. Holroyd	Transportation Branch
Bert D. Miner	Frozen Food Locker
Elmer J. Perdue	Cotton & Oilseeds Branch
David Volkin	Chief, Business Administration Branch
Dale W. Wilson	Livestock & Wool Branch
Francis P. Yager	Grain Branch

Highlights Committee

Andrew T. McMillan, Chairman	Special Crops Branch
W. Fred Woods	Farm Services Branch
Roger A. Wissman	Business Administration Branch